

2. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE MANZULLO OF ILLINOIS, OR HIS DESIGNEE, DEBATABLE FOR 20 MINUTES.

2<sup>nd</sup> REVISION

**AMENDMENT TO H.R. 1561, AS REPORTED  
OFFERED BY MR. MANZULLO OF ILLINOIS**

Page 12, insert the following after line 16 and redesignate the succeeding subsections accordingly:

1 (d) FEES FOR SMALL ENTITIES.—Section 41(h) of  
2 title 35, United States Code, is amended by adding at the  
3 end the following new paragraphs:

4 “(3)(A) The fees and surcharges in effect on Feb-  
5 ruary 10, 2004, under paragraphs (1) and (2) for entities  
6 described in subparagraph (D) shall remain in effect for  
7 such entities after that date, subject to subparagraph (B).  
8 The fees charged under subsection (d) shall be reduced  
9 by 50 percent for entities described in subparagraph (D),  
10 and shall remain in effect for such entities after that date,  
11 subject to subparagraph (B).

12 “(B) A fee or surcharge to which subparagraph (A)  
13 applies may be adjusted on October 1, 2009, and on Octo-  
14 ber 1 of each 5th year thereafter, to reflect any fluctua-  
15 tions during the preceding 5-year period in the Consumer  
16 Price Index, as determined by the Secretary of Commerce.  
17 Changes of less than 1 percent may be ignored.

18 “(C) No fee or surcharge under this section may be  
19 imposed on any entity described in subparagraph (D) after  
20 February 10, 2004, for any purpose other than the pur-

1 poses for which fees and surcharges under this section are  
2 in effect with respect to such entity on that date.

3 “(D) An entity is described in this subparagraph if  
4 it is—

5 “(i) an individual whose net worth does not ex-  
6 ceed \$2,000,000 (calculated by subtracting personal  
7 liabilities from personal assets, without regard to  
8 pension, 401(k), or similar retirement accounts); or

9 “(ii) an owner of an unincorporated business,  
10 or any partnership, corporation, association, unit of  
11 local government, or organization, the net worth of  
12 which does not exceed \$2,000,000 (calculated by  
13 subtracting the liabilities of the entity from its as-  
14 sets, without regard to pension, 401(k), or similar  
15 retirement accounts), and which has no more than  
16 15 employees.

17 “(4)(A) With respect to any entity described in sub-  
18 paragraph (B), the fees under subsections (a), (b), and  
19 (d) shall be reduced by 50 percent, and not more than  
20 \$500 may be charged for a search by a qualified search  
21 authority of a patent application by such an entity.

22 “(B) An entity is described in this subparagraph if  
23 it is not covered by paragraph (3)(D) and is—

1           “(i) an individual whose net worth does not ex-  
2           ceed \$7,000,000 (calculated by subtracting personal  
3           liabilities from personal assets); or

4           “(ii) an owner of an unincorporated business,  
5           or any partnership, corporation, association, unit of  
6           local government, or organization, the net worth of  
7           which does not exceed \$7,000,000 (calculated by  
8           subtracting the liabilities of the entity from its as-  
9           sets), and which has no more than 500 employees.

10          “(5) Paragraph (3) or (4) applies to an entity only  
11          if the entity certifies to the Director its eligibility under  
12          such paragraph.

13          “(6) Paragraphs (1) and (2) apply to entities de-  
14          scribed in paragraph (1) that are not covered by para-  
15          graph (3)(D) or (4)(B).”.